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FACT SHEET

SANDERS INITIATES PRE-COMPETITION ASSESSMENTS REQUIRED AS PART OF CITY'S MANAGED COMPETITION PROCESS

ASSESSMENTS AFFECTING 562 POSITIONS AND BUDGET OF \$120 MILLION ARE FIRST STEP IN VOTER-APPROVED COMPETITION EFFORT

Mayor Jerry Sanders has announced the first functions that will be included in the voter-approved managed competition process being implemented for the City. Each of the 16 functions selected by the Mayor will now undergo a pre-competition assessment, a process that helps to determine if a function is eligible for contracting and if competing for these services will provide the City with the best value possible. The functions chosen include 562 positions and account for approximately \$120 million of the City's budget.

FUNCTIONS CHOSEN FOR PRE-COMPETITION ASSESSMENTS

Function (Department)	# of Positions	Budget Amount
Bindery and reproduction services (General Services)	14	\$ 2,242,142
Container delivery services (Environmental Services)	6	\$ 1,208,420
Dead animal pick-up (Environmental Services)	1	\$ 165,934
Disposal operations (Environmental Services)	37	\$ 7,670,654
Fee booth operations (Environmental Services)	19	\$ 1,781,564
Graphic design (General Services)	6	\$ 509,007
Greenery compost facility operations (Environmental Services)	14	\$ 2,593,786
Landfill monitoring and maintenance (Environmental Services)	11	\$ 2,342,742
Pavement markings and signs (General Services)	41	\$ 4,638,516
Sidewalk maintenance (General Services)	19	\$ 3,033,048
Solid waste collection services (Environmental Services)	229	\$ 52,891,714
Storm drains maintenance (General Services)	38	\$ 14,174,287
Street lights maintenance (General Services)	24	\$ 5,809,178
Street maintenance (General Services)	56	\$ 8,527,430
Street sweeping (General Services)	21	\$ 5,792,572
Traffic signals maintenance (General Services)	26	\$ 6,668,627
TOTAL	562	\$120,049,621

Budget amounts for the selected functions are approximate and include personnel costs, assigned equipment and other related non-personnel expenses associated with providing the services. Budget amounts for the functions will be refined through the process leading to the potential for competitively bidding for these services. Independent contractors will be required to best the bid of City employee teams by at least 10% in order to be considered for contract awards.

BUSINESS PROCESS REENGINEERING ALREADY COMPLETED FOR EACH FUNCTION:

Business Process Reengineering is the first step in preparing a function for managed competition. The BPR process allowed employees in each function to reinvent their methods of work increasing efficiency and effectiveness of service delivery. The functions now beginning pre-competition assessments have completed their BPR studies and the City has chosen to hold back on the implementation of some of the recommendations included in those studies. Those recommendations will be used as tool for preparing City teams for a competitive procurement process should the functions prove eligible and appropriate for inclusion in the next steps of the managed competition effort.

The City has chosen to implement some recommendations from BPR studies that provided for immediate opportunities to realize savings in its current operations. In the City's Fiscal Year 2008 budget alone, BPR studies and realignment of services accounted for the elimination of over 393 Full Time Equivalent (FTE) positions saving over \$32 million in budgeted personnel expenditures.

PRE-COMPETITION ASSESSMENT STEPS:

The purpose of a pre-competition assessment is to gather data and assess whether City functions are eligible and appropriate for competitive procurement. The steps for the pre-competition assessments are summarized below.

- **Document Function Information**
 - Document high level activities and tasks associated with the function
 - Detail resources devoted to the performance of those activities and tasks (including personnel and non-personnel expenses devoted to its performance and dollars invested through existing support contracts)
 - Assess workload and data systems including determining the availability of workload data and activity performance levels, and identifying the systems that collect this information
- **Determine if Function is Eligible for Competitive Procurement**
 - Conduct "inherently governmental" analysis – determine whether a function is so intimately related to the exercise of the public interest as to mandate performance by city personnel
 - Conduct legal limitations analysis – evaluate whether there are legal restrictions preventing competition
- **Determine Risks to Competition**
 - Identify risks, if any, of transition including potential risks to service interruption and potential financial liabilities associated with transition
 - Identify risks, if any, to public welfare including potential risks to public health and safety if the function were not performed adequately
- **Research Availability of Alternatives and Projected Competitive Market**
 - Determine whether there are service providers able and interested in providing the service.
 - Identify potential efficiency gains to be realized through competition
 - Identify opportunities for economic gains through competition

- **Document Conclusions and Recommendations:** Provide a summary of conclusions on whether the functions are appropriate candidates for competitive procurement

Once the pre-competition assessment is completed, results will be documented in a report signed by the Deputy Chief Operating Officer (DCOO) of the function's group (for example, the DCOO for Public Works will sign reports for Environmental Services Department). The report will provide a recommendation to the Mayor on whether a function is eligible and appropriate for competition. The Mayor will make the final decision about whether a function is appropriate and eligible for competition and whether it will proceed to competitive procurement.

MANAGED COMPETITION PROCESS OVERVIEW

The major phases of the managed competition program are described below.

- **Pre-competition Assessment** – A high-level analysis to determine whether a function is eligible and appropriate for competition.
- **Preparation for Competition** – An in-depth analysis of the function to prepare for the competition.
- **Statement of Work (SOW) and Request for Proposal Development (RFP)** – A detailed process defining the tasks that will be bid on and ultimately performed by the winning service provider (City employees or independent contractor).
- **Proposal Development** – The period during which the Employee Proposal Team and independent contractors develop and submit proposals in response to the RFP.
- **Proposal Evaluation and Award Determination** – The evaluation, comparison and determination of the “best value” proposal. This is accomplished by the Independent Review Board. The Independent Review Board will recommend the proposal providing the “best value” to the Mayor, who may approve or disapprove (but not change) the recommendation. If the recommendation is that a service should be provided by an independent contractor, the Mayor will forward his decision to the City Council for approval.
- **Transition** – The period when City employees transition to their Most Efficient Organization (MEO) or when the function transitions to an independent contractor.
- **Performance Monitoring** – Monitoring and auditing the performance of the award recipient—whether City employees or private vendors.

INDEPENDENT REVIEW BOARD SET TO ASSIST IN MANAGED COMPETITION PROCESS

The Managed Competition Independent Review Board (MCIRB) is being established to offer advice regarding whether the proposal of City employees or that of an independent contractor will give the City with the best value for providing competed services. The MCIRB will help to determine which proposal will lead to the most economical and efficient method of providing services while still maintaining service quality and protecting the public interest.

Four accomplished individuals have been nominated to serve on the MCIRB. The City Council will consider confirmation of Desa Burton, Murray Galinson, Charles Kim, Jr., and Faye Wilson as the first members of the MCIRB during their December 4 meeting.

TIMELINE FOR FIRST PHASE OF MANAGED COMPETITION

The chart below provides the timeline for the initial group of functions progressing through the managed competition process.

Activity	Timeline
Initiate pre-competition assessments	By end of 2007
Complete initial pre-competition assessments	Winter 2007/Spring 2008
Announce functions for initial procurement	Spring 2008
Develop RFP	Spring – Summer 2008
Advertise solicitation for proposals	Summer 2008
IRB reviews proposals from City Team and Contractors	Fall 2008
Mayor/Council consider award recommendations	End of 2008
Transition to proposed service delivery process completed	By Summer 2009
Begin performance monitoring	Thereafter